

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

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| <i>In the Matter of</i> |) | |
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| Lifeline and Link Up Reform and Modernization |) | WC Docket No. 11-42 |
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| Federal-State Joint Board on Universal Service |) | CC Docket No. 96-45 |
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| Lifeline and Link Up |) | WC Docket No. 03-109 |

COMMENTS OF THE STATE OF ALASKA

The State of Alaska appreciates the opportunity to file reply comments in response to the Federal Communications Commission's (FCC) 11-32 Notice of Proposed Rule Making (NPRM) concerning Lifeline and Link Up Reform Modernization.

The Telecommunications Act of 1996 stated, "*access to advanced telecommunications and information services should be provided in all regions of the Nation.*" Especially pertinent to our comments, the Act also states, "*consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services...that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.*"

The current Lifeline has, by any measure, been a great success in Alaska. As detailed in its comments, General Communications Incorporated (GCI) of Alaska offers data to show that telecommunications service penetration rates in Alaska have risen to above 90 percent across three underserved population segments in Alaska since inception of the program in 1994. Households whose income falls below the federal low-income guideline and qualifying Lifeline households with incomes exceeding federal low-income guidelines are reporting penetration rates for telephone service at 91.9 percent and 92 percent respectively. In addition, with the initiation of Tribal Lands Lifeline support in 2000, penetration among eligible households across that population in Alaska has risen to 92.7 percent.

Of particular concern to the State of Alaska with proposed reform and modernization are:

1. Enforcement of a one-per-residential address limitation on subscribers
2. Capping the size of the Low Income Program
3. Establishing a national database for eligibility verification dependent on state certification
4. Expanding Lifeline to include broadband

Enforcement of a one-per-residential address limitation on subscribers

The State of Alaska is the country's most remote state, the least densely populated, and separated from the Lower 48 states by vast distances. Even within the state, rural populations are separated from each other by great distances with no road connections. Within most of Alaska's rural communities and villages, most residential units do not have street addresses nor do they receive mail delivery other than at post office boxes. In addition, Alaska's rural adult populations often seasonally migrate outside of their communities and villages for purposes of subsistence activities, fishing, and pursuit of seasonal jobs across many sectors, including commercial fishing and processing, tourism, construction, and natural resource extraction. It is not uncommon for one residential dwelling unit to house adult members of more than one household at various times of the year and for extended periods of time. It is also common for adult members of different households in rural Alaska to share the same post office box address. The imposition of a one-per-residential address limitation on Lifeline subscription would immediately reverse the access to basic telecommunications services to those most vulnerable populations in Alaska that have been served by this program to date.

Without access to a residential address, subscription would be unavailable. Sharing residential units or even sharing post office box addresses would eliminate program access to many otherwise eligible Lifeline users.

We agree with comments by GCI that if the FCC decides to adopt a one-per-residence limitation of Lifeline Program access, Tribal Lands in Alaska, as currently defined by the FCC, should be exempted from that rule. As GCI states, *"the policy and practical challenges associated with a one-per-residence rule are particularly acute in tribal regions – where individuals and populations are unusually migratory, nontraditional housing arrangements abound, and traditional street addresses are relatively scarce."*

Capping the size of the Low Income Program

Any proposed capping of the Lifeline Program would immediately reduce the access to basic telecommunications services by those populations in Alaska most in need. Restrictions to, and limitations on, Eligible Telecommunication Carriers' (ETC) reimbursements for the service discounts offered to Lifeline subscribers would increase the number of low-income residents whose only access to basic telecommunications services are through the program. As reimbursements to ETCs decrease, so too must the level of discounts those same ETCs can offer to Lifeline subscribers. As out-of-pocket costs to Lifeline subscribers increase, the more current Lifeline subscribers will be forced to give up the service.

Alaska's rural low-income populations already face significantly higher living costs than in most areas within the Lower 48 states. Food costs are very high as most foodstuffs must be flown in to these remote areas with no road access. Utility, energy, and gasoline prices are, in some cases, 50 percent more expensive than those across the contiguous states. These prices have escalated substantially over the past couple of years and continue to climb. When faced with limited income, families are forced to give up their basic telecommunications services in favor of buying food and fuel.

The State of Alaska strongly opposes capping the Lifeline Program.

Establishing a national database for eligibility verification dependent on state certification

The State of Alaska agrees with comments submitted by GCI and the American Telephone and Telegraph Company (AT&T) that a national database needs to be created for the purpose of consolidating Lifeline Program eligibility and to allow the FCC and program managers to minimize the potential for subscription abuse.

However, the State of Alaska opposes the recommendation by AT&T that the burden of program eligibility be transferred to states along with providing eligible users information about the program and any subscription details.

As Governor Parnell raised in his letter to you in June of last year, when commenting on implementation of the National Broadband Plan generally, "I am deeply concerned that there will be extreme fiscal impacts on states, Alaska specifically,..." Alaska, and most states, are already under extreme fiscal pressures to limit or reduce the costs of service delivery across all aspects of government services. This is especially true in service areas related to the management and delivery of various health and social service programs to its lower-income citizens. Any additional burden of Lifeline Program related management and administrative requirements cannot be absorbed.

The State of Alaska agrees with GCI's comments encouraging the FCC to continue with the Lifeline Program's current method of subscriber self-certification of eligibility.

Expanding Lifeline to include broadband

The Lifeline Program evolved from its beginnings in 1994 to include wireless services, as that technology began offering essential telecommunications services to all consumers not available with wireline technology. As the benefits of the advanced technology became obvious, the Lifeline program began making it available to low-income and Tribal Lands subscribers who would not have had access without program support. Across the past ten years, broadband technology has now developed to a degree that it, too, now offers substantial voice and data services beyond those available through wireline or wireless services. As stated in the National Broadband Plan, the FCC has clearly set goals of expanding significant broadband connectivity to all citizens, regardless of income or location.

We agree with GCI and AT&T comments that the Lifeline Program should be expanded to include broadband services. Broadband technology is becoming increasingly essential to all citizens for basic services and communications, including access to government services at all levels.

In Alaska, the growing reliance on broadband technology is especially dramatic. Alaska's vast areas with remote and isolated populations are becoming more and more reliant on broadband access for medical service delivery, education, internet access, basic banking services, and government programs and services. As demonstrated by the Lifeline Program since 1994, low-income and Tribal Lands residents are traditionally the least served by existing telecommunications services, let alone any receiving any advances in their technology. Without such access, these populations are the most vulnerable.

The State of Alaska supports the FCC's proposal to adopt an additional Lifeline Program goal of advancing the availability of broadband service to low-income and Tribal Lands households.

Thank you for considering the State of Alaska's concerns regarding this NPRM.

Respectfully submitted this 10th day of May 2011.

STATE OF ALASKA

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